



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 6, 1999

Buzz Gerick, V.P. of Operations
Western States Minerals
250 South Rock Blvd., Suite 130
Reno, Nevada 89502

Re: Publish for Phase II Bond Release and More Information Required for Phase III, Western States Minerals Corporation, J.B. King Mine, ACT/015/002, Folder #2, Emery County, Utah

Dear Mr. Gerick:

The Division received the application for Phase II and Phase III bond release on June 11, 1999. The Division will proceed with review of the Phase II application and you may proceed with publication for that phase.

The Phase III bond release application does not have all of the necessary components for review at this time. According to R645-3001-357.200, the requirements are: "Vegetation parameters identified in R645-301-356.200 will equal or exceed the approved success standard during the growing seasons for the last two years of the responsibility period..." Therefore, two successive sampling periods are required. WSMC has only submitted one year, 1998, and will need to have successful data for 1999. I understand that you have already been requested to make arrangements for the sampling at a time when our biologist may accompany your sampler.

Additionally, R645-301-880.330, requires that "no bond will be fully released under provisions of this section until reclamation requirements of the Act *and the permit* (emphasis added) are fully met." Therefore, it is incumbent upon WSMC to demonstrate how all of the commitments contained in the permit have been met. To assure that all of the information is accurate and current, the permit (reclamation plan) may be revised at anytime, provided the revision (s) meet the requirements of the regulations. For instance, one change that has been mentioned prior to this is a change to your plan to reflect that the vegetation production and shrub density requirement components are removed from your plan.

If you have any questions, please call me or Susan White. We would like to assist you in this process.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor